



JON M. HUNTSMAN, JR.  
Governor

GARY R. HERBERT  
Lieutenant Governor

# State of Utah

## DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER  
Executive Director

### Division of Oil, Gas and Mining

JOHN R. BAZA  
Division Director

January 19, 2010

Evelynn Allred  
Eastern Utah Community Credit Union  
P.O. Box 719  
Price, Utah 84501

Subject: Copy of the CD Agreement Letter, Goldterra Inc., Blue Castle Mine, S/015/0077, Emery County, Utah

Dear Ms. Allred:

On January 5, 2010 the Division received the signed CD Agreement letter. Our Director signed the CD Agreement letter on January 12, 2010. Enclosed is a copy for your records.

If you have any questions please call 801-538-5291 or email [bondcoordinator@utah.gov](mailto:bondcoordinator@utah.gov). Thank you.

Sincerely,

Penny Berry  
Bond Coordinator

PB





GARY R. HERBERT  
Governor

GREGORY S. BELL  
Lieutenant Governor

# State of Utah

## DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER  
Executive Director

### Division of Oil, Gas and Mining

JOHN R. BAZA  
Division Director

December 29, 2009

Eastern Utah Community Credit Union  
675 East 100 North  
Price, Utah 84501

Attention: Paula J. Jacquez, Vice President, 435-637-2443, [paula@euccu.com](mailto:paula@euccu.com)

Subject: Reclamation Surety, Certificate of Deposit for Goldterra, Blue Castle  
Mine Site, S/015/077 Emery County, Utah, BLM Serial Number UTU 79587

Certificate of Deposit no.

Principal Amount \$12,000.00

This letter describes the mutually agreed upon instructions of the below signed parties to Eastern Utah Community Credit Union ("Bank"), regarding the control, redemption, and release of Bank's above-described certificate of deposit ("CD"), which is being used as a surety to guarantee the availability of reclamation funds for the Blue Castle ("Mine Site"), Emery County, Utah. It is the intention of the parties that the CD be utilized as surety to guarantee that \$12,000.00 in reclamation funds will be available to the State of Utah, Division of Oil, Gas & Mining ("Division") and the BLM upon demand in the event that the operator(s) of the Mine Site are unable or unwilling to complete reclamation of the mine site in compliance with applicable state law and regulations.

**RECEIVED**

**JAN 05 2010**

#### Ownership and Renewal:

#### **DIV. OF OIL, GAS & MINING**

Ownership of the CD is retained by Goldterra, Inc., a foreign corporation, but it is held by Bank for the benefit of the State of Utah, Division of Oil, Gas & Mining and BLM and is subject to the terms and conditions described in this agreement. Bank hereby acknowledges the pledge of the aforesaid CD to the Division and the BLM and agrees to record the information in the bank's written and electronic records of book entry.

Further, the bank acknowledges and agrees that it shall hold the moneys represented by the CD's



as a custodian and agent for the Division and shall be liable to the Division for any and all losses to the principal amount of the aforesaid CD caused in any manner whatsoever during the terms of this agreement. The Division acts as agent for the Bureau of Land Management. The CD shall automatically renew indefinitely until either redeemed or released by the Director of the Division. The Division may request CD information on an occasional basis. This letter grants approval by Goldterra, Inc. for the bank to provide CD information to the Division any time an inquiry is made via telephone, email, or letter.

**Redemption:**

The CD may only be redeemed (i.e., called on demand), pursuant to the written instruction or demand of Director of the Utah Division of Oil, Gas & Mining. Upon the instruction and demand of the Director, the full initial amount of the CD shall be transferred to the State of Utah, Division of Oil, Gas and Mining. Owners agree and irrevocably instruct Bank that neither the Owner(s), nor any other person claiming an ownership interest in the CD which is derived from the Owners, shall have the authority to prevent the Bank from carrying out the Director's instruction to redeem the CD. Upon redemption, any accrued interest in excess of the initial amount of the CD shall be transferred to Owners' control, or if Owners do not instruct the Bank, the accrued interest shall be reinvested in the CD. If a signature card is prepared, it shall be drafted consistent with the requirement that only the Director of the Division may redeem the CD.

**Release:**

The Bank shall release the CD only upon the written instruction of the Director of the Division to the Bank. Upon release, the terms and conditions of this agreement are no longer in effect, and the unconditioned control of the CD shall be returned to the Owners, or their legal successors-in-interest. In the event of Bank cancellation/termination of the Certificate of Deposit, the Division may request a transfer or release of the certificate of deposit monies into a state managed cash account to assure or complete reclamation if the Operator does not replace the Certificate of Deposit within the ninety days of Bank cancellation/termination notice. If the Bank is under a forced cancellation/termination, the Bank agrees to transfer or release the CD funds to a state managed cash account at the Division's request.


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December 29, 2009  
Subject:

**Accrued Interest:**

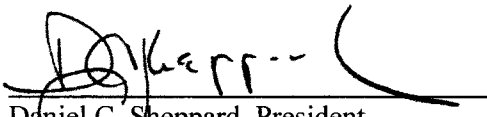
Prior to release or redemption, all interest which accrues by the CD shall be 1) dispersed quarterly to the Owner(s) as the Owner(s) may instruct the Bank, or 2) shall be reinvested in the CD until such time the Owner(s) may instruct the Bank where to transfer such interest. In no event shall the Bank transfer any amount from the CD which would cause the redemption amount of the CD to be less than the initial amount, \$12,000.00. All tax liabilities for accrued interest shall remain the sole responsibility of the Owners.

**Bank will not be held liable for any dispute between the parties.**

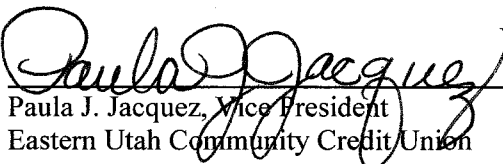
Agreed Upon By:

  
\_\_\_\_\_  
John R. Baza, Director  
Utah Division of Oil, Gas & Mining

Date: 1/12/10

  
\_\_\_\_\_  
Daniel C. Sheppard, President  
Goldterra, Inc.  
Tax ID Number: 86-0861620

Date: December 30, 2009

  
\_\_\_\_\_  
Paula J. Jacquez, Vice President  
Eastern Utah Community Credit Union

Date: 12/31/2009